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## SENATE BILL No. 485

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.1-31.

**Synopsis:** Intern on board tax credit. Establishes a refundable income tax credit for a taxpayer that employs a qualified intern. Provides that the amount of the credit each taxable year is \$1,000 per qualifying intern.

**Effective:** January 1, 2008.

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**Simpson**

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January 18, 2007, read first time and referred to Committee on Economic Development and Technology.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## SENATE BILL No. 485

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-3.1-31 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2008]:

4 **Chapter 31. Intern on Board Tax Credit**

5 **Sec. 1. As used in this chapter, "qualified intern" means as of a**  
6 **specified date an individual:**

7 (1) **who:**

8 (A) **attends an institution of higher learning located in**  
9 **Indiana; and**

10 (B) **has accrued at least three-fourths (3/4) of the course**  
11 **credits required for a bachelor's degree from an institution**  
12 **of higher learning located in Indiana; or**

13 (2) **who within one (1) year preceding the specified date was**  
14 **awarded a bachelor's degree from an institution of higher**  
15 **learning located in Indiana.**

16 **Sec. 2. As used in this chapter, "pass through entity" means the**  
17 **following:**

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(1) A corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2).

(2) A partnership.

(3) A limited liability company.

(4) A limited liability partnership.

Sec. 3. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

(2) IC 6-5.5 (the financial institutions tax); and

(3) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 4. As used in this chapter, "taxpayer" means an individual or entity that has state tax liability.

Sec. 5. (a) Each taxable year, a taxpayer is entitled to a credit against the taxpayer's state tax liability for employing one (1) or more qualified interns during the taxable year in any of the following fields:

(1) Life sciences.

(2) Information technology.

(b) For each taxable year, the amount of the credit provided by subsection (a) is an amount equal to:

(1) one thousand dollars (\$1,000); multiplied by

(2) the number of intern-years that a taxpayer employs one (1) or more qualified interns during the taxable year in a field specified in subsection (a), as determined in subsection (c).

(c) The number of intern years that a taxpayer employs one (1) or more qualified employees during a taxable year in a field specified in subsection (a) is the amount determined by STEP THREE of the following formula:

STEP ONE: For each qualified intern employed by the taxpayer during the taxable year, determine the number of months during the taxable year that the taxpayer employed the qualified intern in a field specified in subsection (a). A qualified intern may not be counted under this STEP for more than twenty-four (24) months for all taxable years.

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide:

(A) the STEP TWO result; by

(B) twelve (12).

Sec. 6. If the credit provided by this chapter exceeds the

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1 taxpayer's state tax liability for a taxable year, the excess shall be  
2 refunded to the taxpayer.

3 **Sec. 7. If a pass through entity does not have state tax liability**  
4 **against which the credit granted by this chapter may be applied, a**  
5 **shareholder, partner, or member of the pass through entity is**  
6 **entitled to a credit equal to:**

7 (1) the credit determined for the pass through entity for the  
8 taxable year; multiplied by

9 (2) the percentage of the pass through entity's distributive  
10 income to which the shareholder, partner, or member is  
11 entitled.

12 **Sec. 8. To obtain a credit under this chapter, a taxpayer must**  
13 **claim the credit in the manner prescribed by the department. The**  
14 **taxpayer shall submit to the department all information that the**  
15 **department determines is necessary to calculate the credit**  
16 **provided by this chapter.**

17 **SECTION 2. [EFFECTIVE JANUARY 1, 2008] IC 6-3.1-31, as**  
18 **added by this act, applies only to taxable years that begin after**  
19 **December 31, 2007.**

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